



DOME PETROLEUM LIMITED · INTERIM REPORT · JUNE 30, 1967

TO THE SHAREHOLDERS:

During the first half of 1967, Dome completed the acquisition of Provo Gas Producers Limited. The Dome and Provo financial and operational figures for the first 6 months of 1967 and 1966 are combined in the following report for comparative purposes.

Your Company's gross income to June 30, 1967, increased 24% to \$10,389,000, cash flow increased 31% to \$5,951,000 and net income increased 47% to \$4,165,000 (\$1.25 per share).

Production during the first half of 1967 was 20,855 barrels per day of oil, liquid gas products and oil equivalent of gas. This represents an 18% increase from the 17,675 barrels per day produced in the same period of 1966. The oil is produced from the following areas: British Columbia 28%, Alberta 33%, Saskatchewan and Manitoba 34% and the United States 5%.

During the first 6 months of 1967, Dome participated in drilling 46 wells of which 33 were successful. These included 21 exploratory wells (over 2 miles from existing producers), 5 step-out wells and 7 development wells.

As of June 30, 1967, Dome held a participation in 9,820,141 gross acres of oil and gas rights (7,680,925 net acres). This represents a 55% increase in net acreage compared with June 30, 1966. The majority of the new acreage is in highly prospective areas of Alberta and Saskatchewan.

At *North Zama*, Alberta, exploratory drilling has resulted in the completion of 16 oil wells (most of which are also dual zone gas wells), 3 gas wells and 4 dry holes to date. Seven exploratory wells are currently drilling on Dome-interest Zama acreage evaluating unleased Crown lands posted for bid at the August 1 Crown Reserve sale. During the 6 months ended June 30, 1967, the Company acquired interests in 1,440 gross lease acres (1,040 net) and 16,000 gross reservation acres (8,000 net) in this area.

At *Willesden Green*, Alberta, the step-out drilling program completed 7 new oil wells bringing Dome's total in this field to 34.5 net oil wells. The Company has also been successful in acquiring additional acreage in this area

at recent Crown sales and 3 rigs are currently drilling on Dome-interest acreage to evaluate available Crown leases.

At *Brownfield*, Alberta, exploratory drilling has resulted in 3 new gas wells. Dome has now proven up substantial gas reserves in the Brownfield and North Provost areas where it has completed 21 successful gas wells (19.5 net) to date. Step-out drilling is continuing. The reserves are under long-term contract for sale to Trans-Canada Pipe Lines Limited.

In addition, Dome completed an excellent dual zone gas well in the southwest Vulcan area, Alberta, and participated in successful oil wells in the Loon Lake and Red Earth areas of Alberta, the Glen Ewen area of Saskatchewan and the Pierson area of Manitoba.

Dome holds a working interest in 12 gas plants in Western Canada, 4 of which it operates. These represent a total investment by the Company of \$24,500,000. Dome's net share of the annual production from these plants is approximately 33 billion cubic feet of natural gas, 2.1 million barrels of condensate, propane, butane and iso-butane plus 10,750 long tons of sulphur.

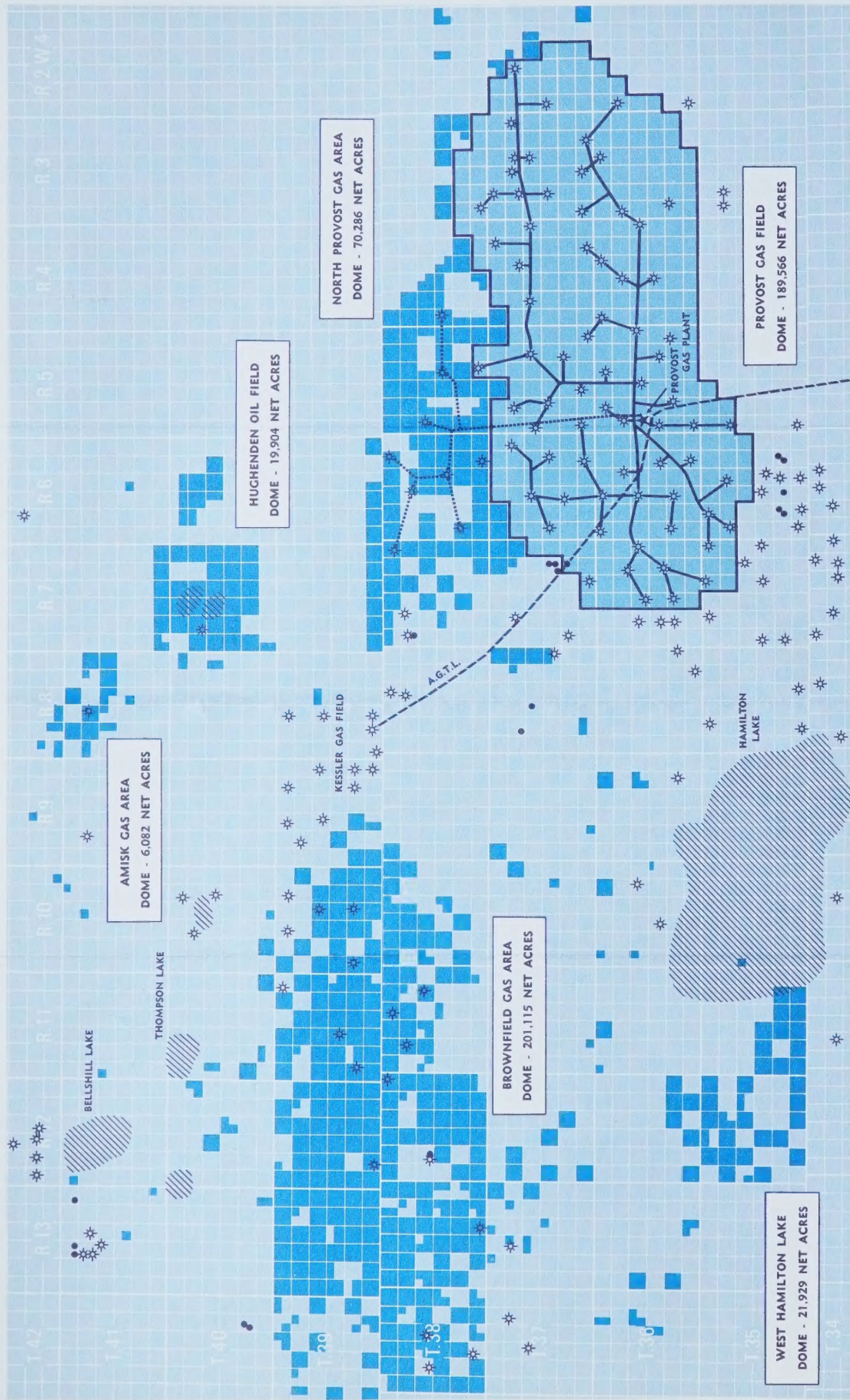
The Company's propane and butane marketing operations include retail sales in northern Manitoba and wholesale distribution to marketing companies throughout Western Canada and in Montana, North Dakota, Minnesota, Wisconsin and Michigan.

During the first 6 months of 1967, the Company sold over 56,000,000 Canadian gallons of propane and butane in its wholesale operations and over 7,000,000 gallons in its retail operations. Its underground storage facilities at Melville, Saskatchewan, handled over 36,000,000 gallons during this period. This facility is being continuously enlarged and will have a capacity of 50 million gallons by the end of 1967.

The income and production increases that the Company has achieved during the first half of 1967 are expected to continue for the balance of the year.

J. P. GALLAGHER
President

C. W. MICHEL
Chairman of the Board



PROVOST - BROWNFIELD AREA

ALBERTA



- ★ GAS WELL
- OIL WELL
- ▨ OIL FIELD
- DOME GAS PIPELINE
- DOME PROPOSED GAS PIPELINE